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C O N F I D E N T I A L TEGUCIGALPA 002314

SIPDIS

STATE FOR WHA/CEN, WHA/EPSC, WHA/EX, WHA/PPC, EB/OIA/IFD
TREASURY FOR DDOUGLASS
STATE PASS AID (LAC/CAM)
STATE PASS USTR: ANDREA MALITO
GUATEMALA FOR COMMAT:MLARSEN

E.O. 12958: DECL: 11/09/2015

TAGS: [ETRD](#) [ECON](#) [PGOV](#) [HO](#)

SUBJECT: HONDURAS GRAVELY CONCERNED ABOUT IMPACTS IF IT IS
LEFT OUT OF U.S. PRESIDENTIAL PROCLAMATION ON CAFTA

Classified By: ECONCHIEF PDUNN FOR REASON 1.5 (B, D)

[11](#). (C) During Ambassador's November 8 introductory courtesy call following his presentation of credentials, President Ricardo Maduro raised with Ambassador his grave concerns that the USG is preparing to issue a Presidential Proclamation that does not include Honduras certifying which countries are signatory to the Central American Free Trade Agreement (CAFTA). According to Maduro, because the Honduran National Congress is in recess while campaigning in preparation for the November 27 elections, the few laws still pending to bring Honduras into full CAFTA compliance cannot be enacted until early December. Until these laws are passed, the USG cannot certify that Honduras is fully compliant with CAFTA and thereby set a date for entry into force. Maduro said issuing a proclamation that did not include Honduras would be a major setback for free trade in the region and an embarrassment for Honduras. Maduro requested additional time (which he characterized as an additional week beyond what he believes is a December 1 deadline) to allow Honduras to pass these remaining laws.

[12](#). (C) In a separate meeting with EconChief on November 8, Minister of Trade and Commerce Irving Guerrero expressed the same concerns. According to Guerrero, the five laws required to bring Honduras into full compliance are drafted and before Congress. He expects easy ratification of all laws once Congress returns to session in December. (Comment: CAFTA was ratified by the GOH with an overwhelming majority of 124 to 4; Post expects rapid passage of these laws as well. End Comment.)

[13](#). (C) Guerrero listed these laws as: (1) a law bringing Honduras into compliance with the Union for the Protection of New Varieties of Plants (UPOV) Convention; (2) a law bringing Honduras into compliance with the Patent Cooperation Treaty (PCT); (3) a law on the protection of intellectual property regarding microorganisms; (4) a law establishing equivalency of inspection regimes for sanitary and phytosanitary protections; and (5) a new contracts laws that eliminates mandatory dealer protections.

[14](#). (C) Guerrero said that, once these laws are passed, implementing regulations (already being developed) will be enacted administratively. He said it is his understanding that El Salvador has proposed including its regulations in the legislation itself. Guerrero does not agree with this approach, and pointed out that in Honduras, just as in the U.S., the law sets out the framework and the binding commitments, while regulations are administratively passed and can therefore be updated as future circumstances warrant.

[15](#). (C) Both Maduro and Guerrero have requested in the strongest terms that the USG refrain from issuing any CAFTA proclamation that does not include Honduras.

[16](#). (C) Comment: Post supports this GOH request. We find unquestioned political will to advance CAFTA and we foresee no difficulties in passing the required legislation. We note that this legislation is already pending before Congress, which is only delayed in acting on it by upcoming national elections in just three weeks. Post agrees that a piecemeal approach to announcing CAFTA implementation partners could weaken the benefits of CAFTA to the region, and would be a major embarrassment for the GOH. End Comment.

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